



Independent Networks
Association

Lisa Charlesworth
Ofgem

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23 April 2024

Dear Lisa

Ofgem consultation on the implementation of energy code reform

Thank you for the opportunity to respond to this consultation. The Independent Networks Association represents Independent Distribution Network Operators and Independent Gas Transporters whose networks serve the domestic, commercial and industrial sectors across Great Britain.

In general, the INA and its members support the proposals in the document. Our main concern of these changes has been the ability for smaller players and new entrants to have the ability to participate and have a voice as codes consolidate and we move away from the existing arrangements. It would be helpful to have further details on how we expect consultation and scrutiny to take place and the role and details of appeals processes.

Answers to specific relevant questions are below.

Section 2

Q1. Do you agree that we should recommend to the Secretary of State that the 11 industry codes listed (including the SQSS) should be designated as “qualifying documents” for the purposes of using our transitional powers in the Energy Act 2023 to deliver energy code reform?

We agree with the proposed list of codes.

Q2. Do you agree that we should recommend to the Secretary of State that the 5 central systems listed (including the Central Switching Service) should be designated as “qualifying central systems” for the purposes of using our transitional powers in the Energy Act 2023 to deliver energy code reform?

We agree with the proposed list of central systems.



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Section 3

Q5. Do you agree with our preferred option to consolidate the CUSC and DCUSA to form a unified electricity commercial code?

The INA and its members agree that there are strong merits in the consolidation of these codes, especially as INA members are increasingly operating across differing voltage levels. This will aid standardisation and consistency and a whole system approach.

Q6. Do you agree with our preferred option to consolidate the Grid Code, STC, SQSS and Distribution Code to form a unified electricity technical code?

The INA and its members agree that there are strong merits in the consolidation of the technical codes for the reasons above and it is more cost effective than several code managers.

Q7. Do you agree with our preferred option to consolidate the UNC and IGT UNC to form a new unified gas network code?

We agree with the approach, we have always maintained that the consolidation of these codes will be easier at a time that reflects the move away from gas connections to new homes under the Future Homes Standard and the phasing of this in the second wave supports that.

Q8. Do you agree with our proposals to rationalise the identified code provisions as part of any consolidation exercise?

Yes, we agree, there will be aspects of each code that could be rationalised – as our experience of the REC has demonstrated. These should be clearly identified and a clear plan as to the timing and process of removing sections and any consequential changes.

Section 4

Q9. Do you agree with our proposal to publish the first Strategic Directions Statement (SDS) for all codes next year (before code managers are in place)?

We agree and this will be critical to shape the focus of the code managers. As the proposals indicate that they will be looking 1-2 years ahead, it is important that there is some consideration of longer-term priorities that may take some years to progress so that delivery is enabled and not delayed by code changes. It is also important that these



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statements receive sufficient consultation and clarify any appeals processes that pertain to them.

Q10. Do you have views on the proposed SDS process?

As new entrants, innovators and disruptors will play a role in meeting our net zero targets, it is unclear that consulting with the established code change stakeholders as set out in paras 4.13 to 4.15 would be able to fully establish where strategic change was required, especially where innovation could be deployed.

Q11. Do you agree with our proposal that a principles-based standard condition for gas and electricity licensees would support the development and delivery of code modifications related to the SDS?

We agree with the proposals.

Section 5

Q12. Do you agree with our preferred option for how a Stakeholder Advisory Forum (SAF) should be constituted?

We agree with the high-level proposals but it would be helpful to understand greater detail on how these would be constituted, their roles and responsibilities and the weight of the Forums' views by the code managers under the principle of "due regard".

Q13. What are your views on i) a requirement to assess the greenhouse gas impact of code modifications with updated guidance, or, ii) introducing a 'net zero' code objective?

This would align with the new duty of Ofgem.

Q14. Do you agree with our proposal to extend and harmonise the ability of code panels to prioritise the assessment of code modification proposals?

Yes, we agree, subject to principles being applied, such as to prevent high profile but non-strategic issues deflecting the agenda.



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Section 6

Q15. Do you agree with our proposal to adopt a phased approach to transitioning codes to the new governance model?

We agree with a phased approach in principle. It will be important to set out more detail and timing on the steps for licence holders to effectively contribute and dedicate resources to what will be a significant body of work.

Q16. Do you identify any strategic or operational considerations that might inform the transition sequence? **Q17.** What are your views on our proposed transition sequencing?

I refer back to the answer to Q7 on the interaction with the IGT UNC and the implementation of the Future Homes Standard. We also anticipate the consolidation of the technical codes in electricity will need significant preparation and scrutiny by subject matter experts and whilst we do not disagree with the phasing of this, there may need to be a longer lead time than for other codes.

Please let me know if you have any questions on this non-confidential response.

Yours sincerely,

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